AUGUST 10, 1964

THE SOVIET FARM CRISIS

SYRIA IS IMPORTANT COTTON COMPETITOR

PUNCH-CARD FOOD RETAILING IN SWEDEN

THE UNIVERSITY OF MICHIGAN
PERIODICAL

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Swedish housewife shops for groceries in Stockholm store where new punch-card self-service system is being tried out. See article, page 8.

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Elevator at Kustanai, Kazakhstan.

The SOVIET FARM CRISIS —and AMERICAN WHEAT

By ANSEL S. WOOD
Grain and Feed Division
Foreign Agricultural Service

Last month, in his speech to the USSR's Supreme Soviet, Nikita Khrushchev dismissed his country's 12-million-ton wheat imports of 1963-64 as a deliberate choice, not a necessity: there were, he said, a number of other measures —such as economizing on consumption—that the Russians could have taken to cope with the shortages that resulted from the bad 1963 harvest.

Western eyes see the Soviet wheat picture differently. Not the bad weather of 1963 alone, but also the increasing Soviet dependence on wheat produced where bad weather is frequent; not the need of imports alone, but also the stringent economies that were in fact practiced at home, plus the sharply decreased shipments to foreign markets: a look at these elements could help put the picture into perspective.

What happened to Soviet wheat production

Russia's traditional winter wheat region is located almost entirely in the European USSR. In 1954, however, the Soviet Union moved into a new era for wheat production with the opening of its New Lands. In this vast area, extending from north of the Caspian Sea 1,500 miles to the east, only spring wheat is produced; and Russia's wheat crop, which used to be about 40 percent winter wheat, is now more nearly 30 percent winter and 70 percent spring.

Unfortunately, the New Lands are far more subject to weather hazards than the USSR's older wheat areas. Low soil moisture and frequent droughts combine with short growing and harvesting seasons to make farming here a risky affair. Yet because this region is sparsely populated and its crop is nearly all available for government procurement, the state has come to rely on it for over half the grain purchased to supply the 70 percent of the USSR's people who are not on farms or who live in wheat-deficit areas. Thus, when the New Lands' wheat crop varies with the weather, the effect registers directly in government supplies of this vital food crop.

The Russian wheat story since the New Lands were opened includes a number of such fluctuations. In 1956, with good weather and expanded acreage, the Soviet Union had an excellent crop; in 1958 a record; in 1959 through 1962, average yields; then in 1963, a 25-percent drop from the level of the previous year.

The crop disaster of 1963 began with a dry autumn in 1962, built up through a heavy winterkill, and reached a crisis with one of the century's worst droughts. All crops except cotton were hit—potatoes, sugarbeets, sunflowerseed, but especially grains, and most especially wheat.

What the Soviets did about the wheat shortage

Russians get more than 55 percent of their caloric intake from grains and more than a third from wheat alone. Thus, after 4 years of average crops combined with a high export level, the failure of 1963 had an especially heavy impact on the Russian food supply.

Asking whether the Soviet Union could have managed without importing, Khrushchev answered himself this way: "We could, but then it would have been necessary to conduct more rigid economies in grain, to limit norms of consumption, to reduce the production of a number of foodstuffs, and to have less concentrated fodder for stockbreeding. The Soviet Government did not resort to such measures."

In fact, however, with wheat supplies in a critical state, the government did take a number of drastic steps to stretch them. It limited flour and bread purchases and restaurant servings. It raised milling extraction rates to increase flour outturn, though this lowered quality. It included corn and other grains in the mix. It canceled export commitments to Western countries and severely cut its shipments to Bloc countries, which had continued into the early fall of 1963. But these measures were not enough.

The size of the gap in Soviet wheat supplies has been estimated by the U.S. Department of Agriculture as approximately 12.5 million tons, as shown in the table that follows.

USDA ESTIMATES OF THE SOVIET UNION'S WHEAT AND RYE PRODUCTION AND UTILIZATION, 1963

Production	*Million metric tons*	Utilization	*Million metric tons*
Wheat	40.0	Waste	2.6
Rye	12.0	Seed	12.4
Total	52.0	Industrial use	3.1
		Domestic food consumption	43.4
		Net trade	3.0
		Total utilization	64.5

To fill this gap, the Soviet Union contracted for the following imports of wheat and flour (wheat equivalent) for delivery during the 1963-64 marketing year:

	1,000 metric tons		*1,000 metric tons*
Canada	6,910.0	Italy	62.0
United States	1,784.5	Argentina	50.0
Australia	1,750.0	Mexico	50.0
West Germany	413.0	Denmark	7.0
Rumania	400.0	Total	11,611.5
France	185.0		

It is clear that the Soviets calculated their needs with care and that the end of the supply year will find them with minimal stocks, all of which will be required to carry them through until the 1964 crop becomes available.

Two sales of U.S. wheat were made to the Soviet Union: one of 1,006,433 tons by the Continental Grain Co. and one of 778,087 tons by Cargill, Inc., the combined sales equaling 65.6 million bushels. Both were commercial transactions, for cash, between the exporter and the Soviet buying agency. Wheat supplies for these sales, like those for other commercial transactions, came from open market stocks, from the Commodity Credit Corporation through redemption of payment-in-kind certificates, and from CCC through direct purchases at the statutory minimum price.

Exporters received prompt payment for individual cargoes upon completion of loading and the presentation of the necessary documents. Payment in full on a c.i.f. basis totaled $140.2 million. The Export-Import Bank had authority to guarantee commercial credit, but the Soviet buying agency did not ask for credit. The same situation prevailed in Canada, here credit was made available to the Soviets through the Export Credits Insurance Corporation but they preferred to use cash.

What has happened to Soviet wheat exports

Failure of the harvest in 1963 moved the Soviet Union, for the time being, out of the ranks of major world wheat exporters. In the year ending June 1963, it had been the world's fourth largest, continuing a trend that began in 1956-57 when its exports suddenly jumped to 4.3 million tons from the 1-million-ton previous level. During most of this period, Soviet wheat exports exceeded 5 million tons, reaching a height of 5.9 million in 1958-59, to approach the 6.1-million-ton record set in 1909-10. In 1962, the Soviet Union signed the International Wheat Agreement as an exporting country, after having attended the meetings of the International Wheat Council as an observer for some years.

The bad 1963 harvest also shifted the pattern of Soviet wheat trade with Bloc countries. In the fiscal years 1961-63, the Eastern European countries occupied 59 percent of the Soviet wheat market. Imports by these countries from all sources totaled an average of 5.6 million tons, of which 2.9 million came from the USSR and 2.7 million from all other countries. During fiscal 1964, however, they have bought 3.5 million tons from non-Russian sources.

What is the outlook for Soviet wheat?

Khrushchev reported to the Supreme Soviet that larger acreages were sown for both the winter and spring wheat crops, and larger fertilizer applications were made with the fall seeding. Winter damage—not mentioned by him but reported in the Soviet press—was fairly heavy, and a considerable area of winter wheat had to be resown to other crops. Khrushchev did admit that spring sowing was late and that farmers in the New Lands "are facing a serious test in harvesting crops . . . the time limits for harvest work will be extremely tight." For the spring crops, moisture conditions have been generally favorable. There has been some drought in western and central regions that are normally in the humid zone, and weather conditions at harvest-time this fall are an important unknown. On balance, however, prospects are for at least an average Soviet wheat crop in 1964.

An average crop would indicate a low volume of net wheat trade for the Soviet Union, which might choose to fulfill previous export commitments and to balance these quantities by importing. It will again have wheat available from Canada this year and next, under its 3-year trade agreement. In 6 of the last 10 years, Canada has delivered wheat to Russia's Pacific port, Vladivostok, and it could do so again this year.

The Soviet Union's position as a major wheat importer will, however, very likely be short-lived. Although any year could bring a crop failure, the USSR is normally an exporter. The sobering experience of last year's disaster is reflected in Khrushchev's speech to the Supreme Soviet. He told the delegates that the Soviet Union now has the means to minimize the effects of future weather whims on farm production, by obtaining high and steady yields that will permit the building up of protective grain reserves. He mentioned in this context the Soviet plans for increasing the output and utilization of mineral fertilizers and agricultural chemicals and for stepping up mechanization and irrigation. The goal for grain, he said, is that the state "must have in reserve no less than a half or even the full annual requirements of the country for bread grain, to be protected against any eventualities—and we will establish such reserves."

If the Soviet Union can in fact establish and maintain a reasonable level of wheat reserves, it may be able to avoid a recurrence of the serious deficit situation that it experienced last year.

What the crisis meant to the U.S. and other Western nations

Our wheat sales to the Soviet Union have benefited us in a number of ways.

- They have improved our balance of payments position.
- They have saved us money on storage, handling, and other charges.
- They have strengthened U.S. wheat prices by reducing the pressure of domestic supplies in U.S. markets.
- They have stimulated U.S. business and employment—not only in the companies exporting the grain, but in the transportation industry and other enterprises related, directly or indirectly, to foreign trade.
- They have drawn on the limited Soviet supplies of gold and foreign exchange; and the use of Soviet gold for food purchases tends to restrict Soviet expenditures for armaments and subversive activity.

Further, the sales to Eastern European countries may have helped move that area somewhat out of the shadow of economic captivity. The experience these countries have gained in dealing with the West this year could have quickened their interest in trade outside the Bloc.

Three of these countries—Bulgaria, Czechoslovakia, and East Germany—have recently signed long-term contracts for Canadian wheat. Yugoslavia and Poland have been

(Continued on page 16)

Right, this citrus estate near Tzaneen—one of the largest in the world—has helped spur South Africa's recent gains in the production and export of citrus. Below, women fill cans with fruit at Cape of Good Hope plant.

By WILLIAM J. EDENS
U.S. Agricultural Attaché
Republic of South Africa

The Citrus Trade of South Africa

In 1907 the Republic of South Africa made its first citrus fruit shipment of 3,000 cases to Great Britain. From this modest start, the Republic's citrus industry has developed into the country's third largest agricultural products exporting industry. Citrus fruit shipped abroad in 1963 totaled 311,000 short tons.

Total annual production and export of citrus fruit have increased sharply since 1957—45 and 47 percent respectively. The present outlook is for production to increase even further during the next 5 or 6 years—about 50 percent—and for exports to move up accordingly. This expansion began after World War II.

Geographical range

Citrus production is not centered in any one or two districts; orchards can be found in an arched area from northern and western Transvaal to Natal and continuing down the Indian Ocean coast to Western Cape Province—a total distance of about 1,800 miles. This wide land sweep includes different rainfall and climatic conditions, making improbable a serious crop failure in any single year. Here are found, as of the last count in 1959-60, 6.8 million bearing and 4.8 million nonbearing citrus trees.

Oranges are the principal citrus crop, accounting for 86 percent of total citrus production and 90 percent of total exports. Others are grapefruit and lemons, but these two fruits account for only 7 and 2 percent respectively of total exports. Some tangerines are also grown.

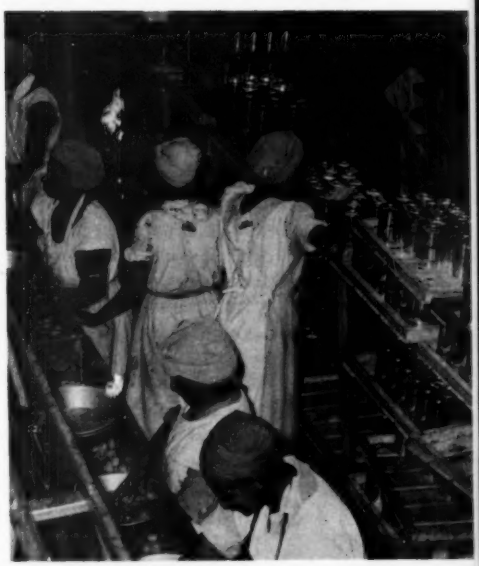
Export marketing

Today, the marketing of citrus fruit is being much emphasized. Foreign market surveys and advertising campaigns have been and are being made. A marketing specialist was stationed in London last year to supervise and expand sales of citrus to Europe and Canada..

Eastern markets are also getting considerable attention. Exports to that part of the world are rising—1963 shipments increased over 1962's as follows: New Zealand 20 percent, Red Sea and Persian Gulf 152 percent, Hong Kong 352 percent, and Mauritius 45 percent.

Citrus products also figure importantly in South Africa's citrus industry. Oranges account for the bulk of manufactured citrus juice, and types include single and concentrated strength, frozen and nonfrozen. Other products range from grapefruit segments to citrus peel, essential oils, and marmalade.

Forty-two plants process raw citrus fruit. The larger ones range in capacity from 5,000 to more than 30,000 tons of raw fruit per season, and are located mostly in eastern Transvaal. One such large plant recently built in this area is designed to handle 150 tons of oranges every 24 hours. It currently produces only frozen concentrated juice, all of which is exported.



Grapefruit segments are also exported—an estimated 80 percent of production enters world trade.

Exports of fresh citrus are controlled by the Citrus Board, but actual marketing is performed by the Cooperative Citrus Exchange, under the Board's supervision. Processed citrus moves out through private trade channels. In 1963 the Exchange exported citrus fruit to 37 countries, with 72 percent going to the United Kingdom, France, West Germany, and the Netherlands. The United Kingdom and West Germany take the bulk of citrus juice exported.

South Africa's citrus competes with U.S. fruit, particularly with California's summer crop, on the British and European markets. This competition is expected to continue, for citrus potential in South Africa is good.

Syria Becomes Important Competitor in World Cotton Trade

By DONALD L. MAC DONALD
U.S. Agricultural Attaché
Beirut, Lebanon

Syria's development of cotton as an export crop ranks as one of the outstanding agricultural achievements of the Middle East. In the years from 1949 to 1963 its cotton shipments climbed from a mere 5,000 bales to well over 600,000, transforming this commodity from an insignificant money-maker into Syria's biggest foreign exchange earner.

This expansion has given Syria status as a competitor in the world cotton market. With the ability to release a large portion of its cotton production for export, Syria in recent years has been able to ship more cotton than many of the other big Eastern producers—India, Pakistan, and Turkey —even though their output is larger than Syria's. In 1962-63, Syria ranked second in shipments of cotton by Far Eastern countries and eighth in the world picture.

Boosts to industry

Growth in Syrian cotton production dates back to 1950. Encouraged by the high prices of cotton caused by the Korean war and the sense of freedom and opportunity arising from their independence of 6 years, Syrian farmers and entrepreneurs that year moved to revamp the country's cotton industry. By investing their own capital and labor and utilizing modern technical information provided by Egypt, they were able to boost cotton acreage from the 193,000 of 1950 to some 536,000 just a year later. Further increases have since been made, until today the area amounts to around 720,000 acres.

Probably one reason for this success is that over 95 percent of the cotton is grown under irrigation and therefore is not so subject to the whims of the weather as are the major dryland crops of wheat and barley. Main source of water is the Euphrates, along which about 60 percent of Syria's cotton is grown.

The Aleppo Plain, which includes some of the country's most fertile land, is the second largest producing area, accounting for around 20 percent of output. This region receives a fairly substantial amount of rain, making dryland farming possible. Also, its streams and ground water provide abundant water for supplemental irrigation of cotton and other crops.

Main producing areas

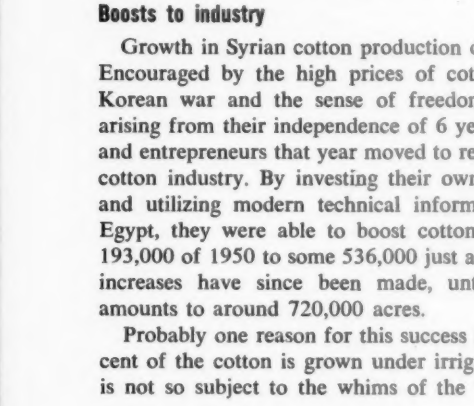
Producing about 10 percent of Syria's cotton is the region around the Orontes River, which rises in Lebanon but flows north through Homs and Hama. Smaller quantities are grown on the coast in the Latakia Plains and other scattered areas of the country.

The cotton is harvested by hand, but as labor is often in short supply, there is increasing awareness of the need for mechanical harvesters. The picked cotton may be stored on the farms or moved immediately to the site of the gins, which are located primarily in Aleppo and Hama.

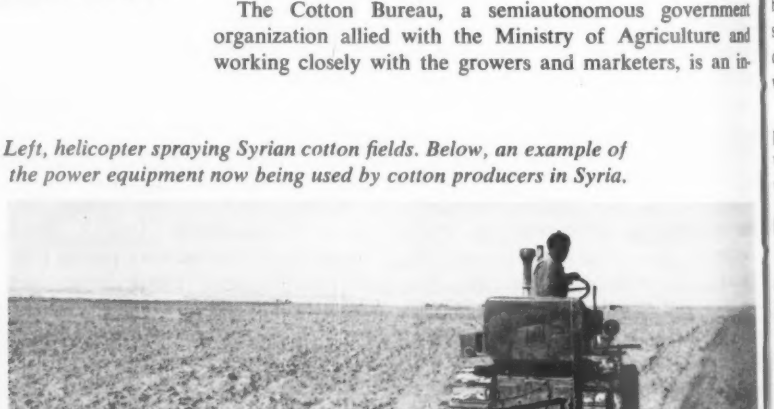
The government sets a floor on the price of cotton sold on the domestic market. For the 1963-64 crops, it was at 19.1 cents per pound for roller-ginned cotton grading No. 1 and having a staple of 1 1/16. Thus far in 1963-64 this has not been needed since prices have been at record levels. Also, the Central Bank of Syria provides credit to farmers or exporters for financing the storage, ginning, and export of cotton. Up to 90 percent of the value of the product is allowed in credit.

Cotton Bureau a major force

The Cotton Bureau, a semiautonomous government organization allied with the Ministry of Agriculture and working closely with the growers and marketers, is an in-



Left, helicopter spraying Syrian cotton fields. Below, an example of the power equipment now being used by cotton producers in Syria.



fluential force in focusing attention on the development of Syria's cotton industry.

Among the Bureau's functions is the improvement of the quality and adaptability of cottonseed. With this goal in mind, it recently imported the Coker 100 A Wilt variety for multiplication as certified seed to be used in future plantings. It also has been developing local varieties. One of these—Palmyra—has a longer staple than the Coker but is in limited supply.

In addition, the Bureau maintains a practical well-equipped laboratory at Aleppo for research on cotton fibers and the control of cotton diseases and pests. All Syrian cotton going into export must be classed by the Bureau to maintain its reputation for high quality.

To emphasize the importance of cotton to Syria, the Bureau sponsors each year a cotton festival, at which all phases of the industry cooperate in putting on a parade and program. Representatives from the major importing countries attend.

Trade divided between East and West

Syrian exports of cotton are about equally divided between the Free World and the Communist countries.

Syria's major export market in Western Europe is France, which took almost half the Continent's 1962-63 (August-July) imports of 283,372 bales (480 lb. net.). Other large markets there are Italy, Portugal, and West Germany.

Surprisingly, trade with the countries of the Far East is relatively small. Japan—which is the largest customer for U.S. cotton—took only around 5,583 bales of Syrian cotton in 1962-63. Lebanon is generally the largest purchaser in this area.

Of the Communist countries, China and the USSR are the leading buyers. In 1962-63, they took 77,707 and 62,087 bales respectively, while other Communist countries imported 149,591 bales.

Exports for this marketing year are estimated at 600,000 bales. Through April, some 540,064 bales had been shipped—about 30,000 below exports for the same period of last year. An unusually large amount—194,926 bales—went to Communist China.

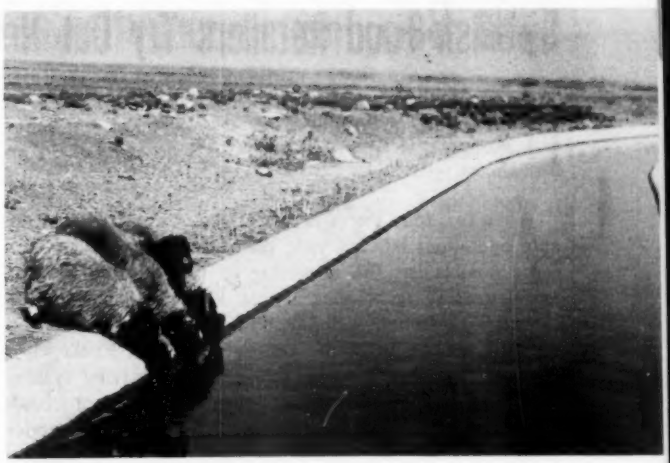
Syria has not been troubled with carryover stocks—a problem prevalent in many of the producing countries. It was reported by the trade that in 1963 only 3,500 bales were carried over.

Related industries

Seven modern cottonseed oil mills operate in Syria, with a total capacity of 175,000 metric tons per year. Of the 254,000 tons of cottonseed produced in 1962-63, some 155,000 were crushed for oil and about 75,000, exported. Most of the byproduct—oilcake— is shipped to Europe, although there is increasing interest in using this domestically as a livestock feed.

Syria's textile industry has not expanded at near the rate of its cotton production. It now has only about 116,000 spindles and 4,500 looms and produces only about 12,000 metric tons of low-count cloth.

Indications are that Syria may become an even more important shipper of cotton in coming years. The growers are attempting, through increased irrigation, to make more land available for production of this valuable crop. The attainment of this goal, however, will depend to a large extent on the future political stability of the country.



Irrigation is essential to Syrian cotton production, whether it be provided by modern canals such as this one (top) near Homs, or by a simple well and pump (center). Bottom, picking cotton.

Swedish Food Retailers Try Out New Punch-Card System

By HUGH V. ROBINSON
U.S. Agricultural Attaché
Stockholm

When two food stores in Stockholm converted to punch-card operations late last year, this innovation was hailed in some quarters as the beginning of a revolution in food merchandising techniques. Today one of the stores has shifted back to conventional self-service, but the second—the BeA Data-Livs in the nearby suburb of Fruängen—continues to operate under this new labor-saving system.

A Swedish housewife entering this store sees not islands and mountains of products as in an American self-service store, but shelf after shelf of samples, some the product itself and some only empty cartons or containers. These she can handle and check the contents: prices are posted where they can be readily seen.

Underneath the samples are trays containing a supply of pre-prepared punch cards which identify the product and price. The shopper selects cards for the products she wants and takes them to a check-out point where they are fed into a machine, which produces almost immediately a list of the goods selected, prices, tax, if any, and the total cost.

This list is then handed to an employee who disappears into a stock room and emerges a few minutes later with the shopper's order. In the meantime, the shopper has paid her bill and is waiting for her groceries.

What the advantages are

Supporters of this new system emphasize the precise inventory control and reordering system which it makes possible. They point out that warehousing space is generally not as costly to buy and maintain as display space, and that the need for shopping carts is eliminated. (Using carts to take groceries to automobiles or a pick-up point outside the store is not common in Sweden.)

Lower costs for handling frozen foods is another advantage. Also, pilfering is difficult; this is a serious matter for managers of self-service stores and in parts of Europe has been so great as to slow up the development of self-service retailing.

One of the strongest claims made by the originators of the system is that fewer and less-skilled employees are needed. Some of the work of posting and accounting usually done by the management or by trained personnel is handled by the punch-card machine. And certainly, some of the most obvious labor saving results from not having to stock shelves or mark prices on individual packages or containers.

A step ahead for Swedish housewives

An American housewife would probably find more to question in the punch-card system than her counterpart in Sweden. She would be reluctant to surrender the opportunity to see, feel, and possibly pinch the product before she makes her selection whereas most Swedish women have been denied this pre-buying inspection.

Below, shopper selects punch-card from under package of rice, and right, reviews her purchases before machine tabulates them. Top, dummy cartons of frozen foods.

Much of the food retailing in Western Europe is still done through small neighborhood shops where customers are waited on and where they have little chance of choosing for themselves the items they want to buy. If they try to hand-pick fresh fruit or vegetables, they are often confronted by a somewhat annoyed shopkeeper, and so they have become reconciled to getting a certain amount of unusable food along with the good. Thus, since the habit of personal selection of food is not widespread or generally accepted in Sweden, the punch-card system is a step ahead in that direction.

There is one hurdle to the system, though, which seems necessary to overcome for the system to be widely usable. So far no satisfactory way of tying in punch cards with meat or fresh fruits and vegetables has been found. The Stockholm store has a section where these are sold, but it is separate and not part of the punch-card operation.

Further trial needed

Thus, there is a question—does this system represent the next reasonable stage in the evolution of food merchandising, or is it an innovation that will pass and soon be forgotten?

The location and relatively small size of the punch-card store in Stockholm makes it difficult to assess the potential of the system. To date, it has by no means revolutionized food sales in Sweden, but before judgment as to the future of the system can be made, further trial in another location with a heavier concentration of people will be necessary.

Sales of U.S. Poultry to Austria Face Uncertain Future

The Austrian market for broilers and fryers in recent months has developed into a battleground of aggressive sales practices, employed by several European producer-countries—within and also outside the European Economic Community—in a determined effort to make up at least partially for the present inadequacy of sales outlets in EEC countries, principally West Germany.

Foremost foreign supplier of frozen chicken to Austria in the first 5 months of 1964 was Denmark with a 24-percent share of the overall Austrian market for imported broilers and fryers. The Netherlands, gaining a 22.9-percent share, was a close second, followed by Hungary (19.7 percent), France (13.3 percent), the United States (12.4 percent), and Czechoslovakia, Italy, Poland, and West Germany with a combined 7.7 percent.

Figures shows U.S. losing ground

In terms of net weight, Austrian imports of broilers and fryers during the first 5 months of 1964 were reported by the Austrian Bureau of Statistics at the following levels:

Country of supply	Jan.-May 1963 *1,000 lb.*	Jan.-May 1964 *1,000 lb.*
United States	875	586
Denmark	935	1,139
Netherlands	674	1,086
Hungary	466	933
France	34	632
Others	259	367
Total, 5 months	3,243	4,743

These statistics indicate that the United States has lost considerable ground to European supplier-countries such as France, Hungary, the Netherlands, and Denmark since the beginning of 1964. This represents a reversal of the previous upward trend in sales of U.S. frozen chicken which had shown a promising development ever since September 1960. At that time, the Austrian authorities relaxed the quantitative restrictions which until then had effectively barred such poultry from the Austrian market.

The Austrian poultry trade has linked the drop in imports from the United States to the price factor. In earlier years, the U.S. broilers were entirely competitive vis-a-vis frozen chicken supplied by major European producer-countries; in the recent past, however, price relations have changed significantly in favor of European suppliers.

To cite an example: Early in July 1964, a large local importer purchased Dutch broilers dressed and packed the same way as U.S. broilers, at the Austrian schillings equivalent of $25.57 per cwt. delivered destination within Austria. According to the same importer, U.S. whole birds of comparable grade cost $27.96 to $29.96 per cwt., c.i.f. Rotterdam; adding freight charges to Austrian destination brings this price range up to $29.70 to $31.72 per cwt. Obviously, a price differential of 20 percent and more is bound to decide the local import trade against U.S. birds.

Assuming the return of normal—i.e., undistorted—competitive conditions to the Austrian market place, what will then be the prospects for sales of U.S. broilers?

No clear-cut answer can be provided to so pointed question as this, but there are always a number of factors in the background, the potential impact of which cannot be measured with any accuracy.

For example, there are policy developments. The Austrian broiler industry is a high-cost enterprise, mainly because the government (a) raises feed costs above the world level by placing variable "equalization levies" on imported feed grains, and (b) disapproves of and discourages the "commercial approach" in the field of poultry production on the grounds that this source of income must be preserved for family farms.

Poultry marketing scheme considered

Being a high-cost enterprise, the Austrian poultry industry requires effective protection against foreign competitors. In the past, such protection has been provided in the form of high statutory tariffs—Austrian schillings 500 per 100 kilograms ($8.76 per cwt.) on chicken meat. However, Austrian poultry producers are not satisfied that the present protective tariff shield is adequate to protect them from foreign competition. Reports indicate that Austrian policy makers are considering a poultry marketing scheme modeled on the present EEC system for the poultry industry.

In the event that such a system is adopted in Austria it would no doubt tend to reduce the market potential for imported poultry. It would result in higher retail prices and thus act as a deterrent to increased consumption of imported chicken meat, and it would also have a boosting effect on domestic poultry production which now is exposed, at least in some degree, to competition from abroad.

—HENRY H. BAEHR
U.S. Agricultural Attaché, Austria

Secretary Freeman Praises Market Development For Its Vital Role in Peak U.S. Farm Exports

In a speech given in San Francisco before the Commonwealth Club of California, July 24th, U.S. Secretary of Agriculture Orville L. Freeman announced—simultaneously with President Lyndon Johnson at the White House—that U.S. agricultural exports had reached an alltime high of $6.1 billion in the year ending June 30. An important part of his remarks was devoted to market development.

The smashing of all previous agricultural records was not an accident. Instead it was the product of initiative, hard work, and plain old-fashioned salesmanship on the part of American agricultural producers and exporters, working in a close constructive partnership with government.

If I were to call the roll to give well-deserved public credit to all who have contributed to this exciting new chapter in American trade history—the list might well begin with California.

Your producer groups have been among the most active and successful in the Nation in promoting their products in the markets of the world. The California-Arizona Citrus League, the California Prune Advisory Board, the California Raisin Bureau, the Canners League of California and the Pacific Coast deciduous industry—to mention only some—have consistently been in the vanguard of our market development work aboard.

Contributing importantly to this accomplishment has been the U.S. Department of Agriculture which is today engaged in an aggressive market-promotion partnership with 44 separate agricultural producer and trade organizations reaching into 67 countries. I doubt that anything approaching a foreign market development program of this magnitude has ever been undertaken before—and I think its success may be measured, at least in part, by the striking 35 percent expansion of farm exports in the last 4 years.

In the promotion of agricultural products abroad we have had the close cooperation and full support of the U.S. Department of Commerce and Secretary Luther Hodges, under whose leadership American exports as a whole have jumped from $20 billion to nearly $25 billion since 1961.

Let me just mention a few of the measures now being taken to promote and facilitate farm exports: American foods are being shown at leading international trade fairs and at permanent U.S. trade centers in Tokyo, London, and Milan . . . American marketing specialists abroad are teaching foreign buyers how to mix and blend our wheat, fabricate our cotton, process and package our vegetable oil . . . We are revising grain standards to make it easier for foreign importers to buy the specific qualities of grain they want . . . we have worked with the railroads to reduce rates on grains moving from the Midwest to West Coast shipping points, thereby improving our competitive ability to sell in Far Eastern markets. We have strengthened short-term and longer-term export credit facilities, not only for commercial convenience but to encourage underdeveloped countries to convert wherever possible from local currency purchases under the Food for Peace program to commercial buying for dollars.

The job of building agricultural exports is being done in partnership with private enterprise, with admirable support from the trade community.

Birmingham To Get Its First U.S. Foods Show

U.S. foods—moving into still another area in the United Kingdom—will be presented for the first time in the Ideal Home exhibit at Birmingham, September 30-October 24.

Birmingham, which is the United Kingdom's second largest city and a large industrial center, follows Cardiff and Glasgow where exhibits and in-store promotions this year have helped to arouse considerable interest in U.S. foods. Consumer-oriented, the Birmingham show annually attracts thousands of visitors to its product, home appliance, and domestic science exhibits. It will be followed by a 2-week in-store promotion of the type which has so successfully pushed American foods to the forefront in other U.K. cities.

Seven U.S. foods will be exhibited—and in some instances sold—in individual booths manned by overseas representatives of the respective U.S. commodity groups. The foods will also be demonstrated to visitors and special guests at a large central kitchen with a 250-seat viewing area.

Working closely with FAS at Birmingham will be these commodity groups: the Florida Citrus Commission, National Cranberry Institute, the U.S. poultry industry's International Trade Development Board, California Prune Advisory Board, California Raisin Bureau, U.S. Rice Export Development Association, and the Soybean Council of America.

A committee of five representing these groups will handle pre-show publicity and press contacts, and arrange for institutional buyers and international tradespeople to attend kitchen demonstrations. Trade contacts will be invited to attend a private reception just before the show opens.

Australia Promotes Raisins

F. R. Gullick, Senior Trade Commissioner for Australia, recently urged a large number of Danish importers and wholesalers at a meeting at the Copenhagen Wholesale Fruit Market to "eat more raisins and be sure they are Australian raisins."

The meeting, which featured a huge 196-pound fruit cake later given to a children's hospital, was part of a promotion program being carried on in Denmark on behalf of Australian raisins and other fruits. Numerous advertisements have also appeared in local newspapers.

A quality raisin market, Denmark imported 71 percent of its raisins from the United States in 1963.

U.S. Seed Promotion Fixes Sights on Common Market and Japan

Common Market countries and Japan head the list of priorities recently set up by the U.S. seed industry for market development in 1964-65, to be the most comprehensive program to date. In the fiscal year just ended, these customers bought nearly half the total overseas shipments of U.S. seeds.

Launched last October at the London Trade Center, the promotion program of the American Seed Trade Association and FAS provides for market research and sales promotion in eight countries— the United Kingdom, France, West Germany, the Netherlands, Japan, Argentina, Chile, and Venezuela.

The 1964-65 promotion will kick off with an on-the-spot survey in Western Europe to gather information on seed laws and regulations, marketing problems, and the changing seed requirements of European agricultural producers.

In addition, U.S. seed technicians from time to time will be sent to Europe, and to Japan as well, to help set up seed demonstrations and to assist users of the major U.S. seed types that are exported—legume grass, field corn, flower, and vegetable.

Many-faceted program

Other activities: sponsoring trips of European and Japanese seed teams to the United States to study seed production techniques; participation in trade fairs and international meetings of the European Economic Community (EEC) and various seed industry groups; and publication of brochures for distribution overseas.

Promotional focus this year will be on three EEC countries, the Netherlands, France, and West Germany. As the major EEC importers of seed, they will carry considerable weight in deciding the ground rules for the EEC's Common Agricultural Policy for seeds which is now pending.

The CAP for seeds bears important implications for U.S. seed exports. In the first 10 months of 1963-64, the EEC took more than 46 million pounds of U.S. seeds, or roughly 44 percent of total U.S. seed shipments. France was the principal world market for U.S. grass and legume seed, West Germany for U.S. vegetable as well as hybrid corn seed.

It has been proposed that seed varieties eligible for import be listed in a common catalog which will be compiled possibly by 1970. Until then, individual countries reserve the right to limit imports to those varieties currently listed in their catalogs.

How U.S. exports will fare under EEC regulations pivots on the specifications used to determine a variety's eligibility for listing in the common catalog.

Final CAP specifications will probably be based primarily on those now used by individual EEC members to compile their lists of seed varieties.

The U.S. seed industry is therefore seeking a reappraisal of restrictive standards held by EEC countries.

New-variety restriction

In France and West Germany, for example, seed varieties must first be proven entirely different from all others on the lists. This provision means that U.S. seeds improved through selective breeding could not be imported unless the genetic traits have been changed sufficiently to be classified as a new variety by the importing country.

The U.S. seed industry would like to see precedence given to another criterion — now less emphasized — which specifies that a variety must make a worthy contribution to the importing country's agricultural economy. A greater number of U.S. varieties could be imported if agricultural value was the decisive factor.

Shorter testing periods

Another objective of the U.S. seed industry is shorter testing periods for determining the acceptability of seed varieties for inclusion on import lists. New strains of U.S. vegetable seeds may be obsolete by the end of the present testing period—from 2 to 5 years in most European countries.

Given nonrestrictive EEC seed regulations, the seed industry can look forward to continued expansion of the Western European market, not only for seeds bred domestically, but for seeds multiplied from European foundation stock. (Europe's seed production is erratic and less economical than the United States', with its vast areas available for seed cultivation under optimum climatic conditions.)

Japan, the next priority in U.S. seed market development, is the American seed industry's biggest Asian customer. The country should become an even better buyer of U.S. pasture and forage seeds now that the Japanese Government has embarked on a pasture improvement program. In 1963, U.S. sales to Japan of 6.2 million pounds of clover and grass seed made up around three-quarters of total Japanese imports.

The chief function of promotion in Japan will be to provide a greater exchange of technical information between U.S. and Japanese seed breeders. Already underway in the United States are large-scale seed multiplication programs aimed at supplying varieties suited to Japanese environmental conditions. A U.S. seed show at the Tokyo Trade Center has been tentatively scheduled for 1965.

The American Seed Trade Association also expects to conduct limited market development in Latin America, where promotion will probably be confined mainly to trade fairs.

Italian Cotton Commercials Awarded International Prize

The Italian Cotton Committee's television commercials have just placed second in their category at the International Festival of Advertising Films in Venice. There were 37 films from nine countries in the category (longer-than-15-second spots).

Last year the Italian commercials —which used American plantation music and scenes as the theme—took first prize, the first time any Italian commercials have ever won.

The Committee works with the Cotton Council International to promote the use of cotton in Italy.

P.L. 480 Manual Available

A new FAS manual will help suppliers and packagers of Commodity Credit Corporation foodstuffs for donation overseas under Titles II and III of P.L. 480 to comply with a requirement that food containers be labeled in the language of the recipients.

The manual, *Foreign Translations of Container Marketings*, translates key phrases into 25 languages.

World's Wheat Harvest May Reach Record in 1964

A record 1964 wheat harvest is in view for Northern Hemisphere countries, according to preliminary reports. A substantial increase over the large 1963 outturn is expected owing to better prospects for Western Europe and the Soviet Union.

It is too early in the season for definite indications of Southern Hemisphere crops, but it appears that the largest producers, Australia and Argentina, are expanding their acreage. Favorable conditions, so far, indicate that production there may be large again this year.

On a regional basis, present prospects are as follows:

North America's total wheat production will be slightly larger than the near-record crop in 1963. The increase will be in the United States and Mexico, with Canada's production considerably below the record of 1963.

The wheat outturn in Western Europe is expected to be considerably above the 1963 total and may be second only to the record crop of 1962. Principal gains over 1963 are in France and Italy where production is considerably larger than the about-average level of 1963. A substantial increase is also reported for Greece, bringing that country's total to a new high. Moderate increases reported for the United Kingdom, Sweden, and the Netherlands offset losses in Spain and Portugal.

Weather conditions over wide areas of Eastern Europe have been less favorable than last year, and yields are expected to be lower. However, acreage increases, especially in Hungary and Rumania, may offset reduced yields and overall production may be near the high level of last year.

An average wheat crop is expected in the Soviet Union, following the poor outturn a year ago. Acreage is about 7.5 million acres larger than in 1963. The spring crop outlook is good, with unusually good moisture supplies suggesting much better yield prospects than in 1963, when yields were disastrously low. The outlook for winter wheat however is less favorable.

Information is incomplete for Asia. Available reports indicate that the continental total for wheat may approximate the large 1963 production, with increases in some countries offsetting reductions in others.

A smaller wheat crop is forecast for Africa, with reduced harvests expected in Algeria and Tunisia. Slight increases are reported for Egypt and Morocco.

Japanese Egg Prices Decline Sharply

Eggs are currently selling in Tokyo and Osaka—Japan's largest markets—at about 36 cents per dozen, reportedly about half the normal price, and the lowest for at least 13 years. According to a Japanese newspaper, which generally expresses the government's viewpoint in economic matters, the decline has resulted from the rapid increase in the number of large-scale and efficient egg-producing farms.

The use of egg-type chicks from the United States has helped to increase productivity and lower unit production costs. The adoption of American management methods has also helped to offset the effects of lower prices so that confidence in the future remains high.

The government apparently recognizes that to reduce egg prices to consumers may cause the inefficient farms to collapse. Supporting the profitability of large-scale laying operations is the income resulting from the sale of old hens, excess cockerels, and the crossing of meat-type males with layers to produce meat. These sources still constitute the major supply of poultry meat in Japan.

French Exports of Butter Increase

France's exports of butter in the first quarter of 1964, at 22 million pounds, were about 2 million pounds above those of the same quarter a year ago. Sales to Morocco increased sharply, from 11,000 pounds to almost 3 million. Shipments to West Germany, of 5 million pounds, were up only slightly; but those to most other important markets, particularly Algeria, Italy, and the United Kingdom, were less.

New markets were found in Belgium and Bulgaria, each taking 1 million pounds. There were moderate increases in exports to lesser markets, among them Martinique, Senegal, and the Ivory Coast. No sales were made to Hungary, an outlet for 2 million pounds a year ago.

Canada's Tobacco Crop Down Sharply

Preliminary forecasts place Canada's 1964 tobacco crop at about 141 million pounds, compared with 200 million in 1963. A cut of about 25 percent in the flue-cured tobacco acreage in Ontario accounts for most of the decrease.

The flue-cured crop for all of Canada is forecast at 132 million pounds, compared with 187 million last year. Ontario's crop is placed at 125 million pounds from 76,000 acres, down from last year's 180 million pounds from 99,535 acres. Quebec's crop is expected to total a little more than the 6 million pounds of 1963. Production in the Maritime Provinces is forecast at 900,000 pounds from 930 acres, compared with last year's 656,000 pounds from 789 acres.

Burley tobacco production in Canada in 1964 is forecast at 3.6 million pounds from about 2,100 acres compared with 8.8 million pounds from 4,300 acres in 1963. Production of other kinds of tobacco is forecast at roughly the same levels as last season.

Japan Has Record Tobacco Crop

Preliminary estimates by the Japan Monopoly Corporation place Japan's 1964 tobacco crop at a record 427 million pounds from 202,000 acres, compared with 347 million pounds from 182,000 acres in 1963.

The flue-cured crop is placed at 264 million pounds, up 37 percent from last year's 193 million and 26 percent from the previous high of 210 million in 1956.

The 1964 burley crop is estimated at 24.4 million pounds, an increase of only 3 percent from the 23.6 million harvested last year.

Weather and growing conditions, especially in the flue-cured producing areas, have been more favorable than normal this year.

Rhodesian Flue-Cured Auction Prices

Prices of Rhodesian flue-cured tobacco on the Salisbury auction market averaged the equivalent of 33.5 U.S. cents per pound for the 19th week of sales compared with 49.6 cents last year.

A total of 182.4 million pounds had been sold from the beginning of the auctions through that week at an average price of 33.3 cents. During the same period last year, sales totaled 165.1 million pounds, at an average of 49.6 cents.

Sales of 1964-crop burley tobacco at the Salisbury auctions totaled 2.2 million pounds through July 16 at prices averaging 34.1 cents.

Italy Expects Larger Tobacco Crop

Italy may harvest a normal tobacco crop this year after several seasons of reduced production. Increases in both area and production are forecast for all kinds of leaf, and the total harvest may reach 181 million pounds, compared with 144 million in 1963.

Estimates of 1964 production by principal kinds of tobacco in millions of pounds (with last year's figures in parentheses) are as follows: Flue-cured 29.0 (22.7), burley 41.7 (32.8), dark air-cured 28.7 (20.6), dark fire-cured 22.3 (18.2), and oriental 51.9 (44.9).

Peru Increases Fishmeal Output and Exports

Production of fishmeal in Peru during the first 4 months of 1964, according to the Fish Meal Exporters' Organization of which Peru is a member, totaled 654,000 metric tons. This is nearly 50 percent above the 442,600—ton level for January-April 1963.

Exports of fishmeal during the same period amounted to 531,000 tons as against 451,500 in January-April 1963, an increase of 18 percent.

Philippine Copra and Coconut Oil Exports

Data on registered exports of copra and coconut oil from the Philippine Republic during January-June 1964 have been revised to 313,123 long tons, oil equivalent basis (*Foreign Agriculture*, July 27, 1964).

Shipments of copra and coconut oil to the United States should read 97,401 and 88,191 long tons, respectively. Total shipments should then read 331,920 tons for copra and 100,694 for coconut oil.

Nigeria's Exports of Oil-Bearing Materials, Products Up

Nigeria's 1963 exports of oil-bearing materials and their products, totaling 1.4 million long tons and valued at £N 80.8 million ($226 million), were 14 percent above those of 1962 in both quantity and value. Tonnages of virtually all commodities moving abroad, with the exception of sesameseed, castorbeans, and peanut cake and meal, rose from a year earlier.

The largest single export commodity, shelled peanuts, at 614,200 tons, exceeded exports in 1962 by one-sixth. Because of increased exports and higher prices in 1963, the total value of peanut exports at £N 36.59 ($102.5 million) placed this commodity first among all major export products as an earner of foreign exchange for Nigeria.

France, taking one-third of the total, was the major market for Nigerian peanuts last year. Exports to the United Kingdom, traditionally the major market, declined 3 percent from a year earlier, while exports to West Germany declined almost three-fourths.

Palm kernel exports, ranking second in importance of all oil-bearing materials, increased almost 10 percent from 1962. The United Kingdom was the major destination, accounting for over one-half of the total.

Total exports of palm oil, the major vegetable oil, increased by 6 percent, and again the United Kingdom was the major market, taking over one-half of the total.

NIGERIA'S EXPORTS OF OIL-BEARING MATERIALS AND PRODUCTS

Commodity and country	1962		1963	
	Quantity	Value	Quantity	Value
Oil-bearing materials:	*1,000*	*1,000*	*1,000*	*1,000*
Peanuts shelled:	*long tons*	*pounds* [1]	*long tons*	*pounds* [1]
Belgium-Luxembourg	31.7	1,937	36.6	2,175
France	76.5	4,768	203.3	12,389
Germany, West	65.4	3,979	18.1	1,072
Netherlands	51.7	3,175	32.9	1,956
Portugal	--	--	27.9	1,683
Spain	16.4	996	8.1	492
Switzerland	15.4	955	22.4	1,321
United Kingdom	152.4	9,300	147.5	8,357
Others	120.1	7,316	117.4	7,149
Total	529.6	32,426	614.2	36,594
Palm kernels:				
Germany, West	42.0	1,933	38.7	2,022
Netherlands	118.5	5,488	113.5	5,920
United Kingdom	179.1	8,241	209.1	10,940
Others	27.0	1,225	37.0	1,936
Total	366.6	16,887	398.3	20,818
Cottonseed:				
United Kingdom	20.5	490	25.0	539
Japan	20.9	490	38.5	846
Others	1.6	38	2.0	45
Total	43.0	1,018	65.5	1,430
Soybeans:				
United Kingdom	13.7	447	26.5	919
Others	1.3	40	1.0	66
Total	15.0	487	27.5	985
Sesameseed:				
Italy	6.9	516	9.9	771
Venezuela	11.9	958	1.5	123
Others	5.3	399	4.1	312
Total	24.1	1,873	15.5	1,206
Shea nuts:				
Denmark	1.4	47	7.8	258
Others	7.2	258	14.9	452
Total	8.6	305	22.7	710
Other oil-bearing materials	3.0	175	4.1	220
Vegetable oils:				
Peanut:				
Spain	5.1	468	15.1	1,443
United Kingdom	38.1	3,728	35.1	3,272
Others	19.7	1,981	19.2	1,833
Total	62.9	6,177	69.4	6,548
Palm, edible and technical:				
Netherlands	11.4	875	23.5	1,743
United Kingdom	82.2	6,142	72.2	5,444
Others	25.0	1,913	30.0	2,178
Total	118.6	8,930	125.7	9,365
Palm kernel:				
United Kingdom	.1	6	1.0	49
Others	--	--	2.2	143
Total	.1	6	3.2	192
Other vegetable oils	([3])	([3])	([3])	1
Oilcake and meal:				
Peanut:				
United Kingdom	70.4	1,959	65.5	2,074
Others	17.6	493	20.0	662
Total	88.0	2,452	85.5	2,736
Other cake and meal	1.0	23	1.4	40
Total all products	1,260.5	70,759	1,433.0	80,845

[1] Nigerian pound=$2.80. [2] Less than 50 tons. [3] Less than £500.
Nigeria Trade Summary.

Canada's Rapeseed Acreage Up Sharply; Exports Lag

According to the July 15 estimate by the Dominion Bureau of Statistics, this year's rapeseed acreage is 699,800 acres—somewhat below the March intentions yet sharply above 1963's and 1962's which were 478,000 and 371,200 acres, respectively.

This year's crop has been adversely affected by inadequate rainfall in the northern sections of Alberta and Saskatchewan. However, because of acreage expansion an increase is estimated in production which should more than offset the drop in yield. The first official production estimate is due to be issued August 7.

Exports of Canadian rapeseed through May 1964 in the current marketing year (beginning August 1, 1963) totaled 108,067 short tons compared with 131,103 in the comparable period of 1962-63. Consequently, exports through July will probably be somewhat below those in 1962-63 as forecast earlier (*Foreign Agriculture*, June 8, 1964). Nearly 85 percent of the total moved to Japan with minor quantities going to the United States, the Netherlands, Italy, and the United Kingdom.

Argentine Tung Oil Exports

Exports of tung oil from Argentina in May totaled 954 short tons, a sharp increase from the 610 tons exported in the comparable month last year, but less than half of the 1,955 tons shipped in April (*Foreign Agriculture*, June 29, 1964). Major destinations together with the respective quantities shipped in May include West Germany 287 tons, the United Kingdom 237, Japan 165, the United States 137, and the Netherlands 116.

Cumulative exports through May of the 1963-64 marketing year (which began August 1) totaled 15,669 short tons—21 percent above those in the same period of 1962-63. Based on estimated availabilities, total exports for 1963-64 could exceed 20,000 tons.

Netherlands Oilseed Acreage Increases

Seedings of the major oilseed crops in the Netherlands in 1964 totaled 84,700 acres, 12 percent larger than the 75,500 acres seeded in 1963. This year's overall increase was owing to expanded seedings of flaxseed—75,600 acres compared with 65,700 in 1963—slightly offset by a decline in rapeseed acreage to 9,100 acres from 9,800.

Conditions for growth and development of crops were quite favorable in contrast with those of 1963. However, heavy rains and winds in June and July may have caused some damage.

Data on production of the principal oilseed crops for 1963 in 1,000 short tons, with 1962 figures in parentheses, are flaxseed 34.5 (29.3), and rapeseed 11.1 (11.0).

Philippine Exports of Desiccated Coconut Increase

Registered shipments of desiccated coconut from the Philippines during June totaled 6,206 short tons, against 6,122 in May and 5,950 in June 1963.

Shipments during January-June amounted to 31,716 tons compared with 28,182 in the same period of 1963. Of this amount, 26,145, 2,221, and 1,995 tons were shipped to the United States, Australia, and Canada, respectively, compared with 23,349, 1,751 and 1,065 a year ago.

Canned Fruit and Juice Prices in London

Selling prices in London (landed, duty paid) of selected canned fruits, are given in the following table.

Type and quality	Size of can	Price per dozen units: July 1963	April 1964	July 1964	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, whole unpeeled:					
Choice	303	2.22	2.52	2.52	U.S.
Halves:					
Fancy	2½	(1)	3.22	3.22	S. Africa
Choice	2½	3.87	4.22	4.22	U.S.
Do	2½	(1)	3.32	3.32	Australia
Do	2½	3.20	3.08	3.08	S. Africa
In syrup	15 oz.	(1)	1.50	1.51	Spain
Peaches, halves:					
Fancy	2½	(1)	3.54	3.54	Australia
Do	2½	(1)	3.32	3.26	S. Africa
Choice	2½	3.40	3.72	3.41	U.S.
Do	2½	3.00	3.18	3.08	S. Africa
Do	2½	3.03	3.32	3.32	Australia
Pears, halves:					
Fancy	2½	(1)	3.68	3.68	S. Africa
Do	2½	(1)	3.46	3.46	Australia
Choice	2½	3.46	3.32	3.32	S. Africa
Do	2½	3.43	3.46	3.46	Australia
In syrup	15 oz.	(1)	2.03	2.03	Italy
Fruit cocktail:					
Do	15 oz.	2.05	2.00	2.00	U.S.
Do	8 oz.	1.39	1.60	1.45	Spain
Choice	303	2.35	2.76	2.48	U.S.
Grapefruit sections:					
Fancy	303	2.31	2.80	2.80	U.S.
No. 2	20 oz.	2.73	2.42	2.66	Israel
Quality not specified	20 oz.	2.62	2.57	2.48	W. Indies
Pineapple slices:					
Fancy	16 oz.	(1)	1.78	1.78	S. Africa
Standard	16 oz.	1.54	1.70	1.70	Malaya
CANNED JUICE					
Single strength:					
Orange, sweetened	19 oz.	1.92	2.00	2.00	Israel
Do	19 oz.	(1)	2.01	2.03	W. Indies
Grapefruit, sweetened	19 oz.	1.66	1.86	1.86	Israel
Do	2	(1)	2.66	2.59	U.S.
Grapefruit, unsweetened	19 oz.	(1)	1.89	1.89	Israel
Do	2	(1)	2.70	2.70	U.S.

[1] Not quoted.

Canned Fruit and Juice Prices in Netherlands

Importers' selling prices in the Netherlands (import duties and taxes paid) for selected canned fruit and juice in May 1963 and April and June 1964 are as follows:

Type and quality	Size of can	Price per dozen units: May 1963	April 1964	June 1964	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricot halves:					
Choice	2½	(1)	3.91	3.81	S. Africa
Do	15 oz.	(1)	1.99	1.99	Spain
Standard	303	2.98	2.75	2.75	U.S.
Peaches:					
Halves, choice	2½	4.04	4.48	4.44	U.S.
Slices, standard	15½ oz.	2.35	2.35	2.35	S. Africa
Fruit cocktail:					
Choice	2½	4.51	5.60	5.60	U.S.
Do	303	2.95	3.35	3.35	U.S.
Fruit salad	15½ oz.	(1)	2.82	2.85	Spain
Pineapple:					
Slices, fancy	2½	5.30	4.64	4.81	U.S.
Slices, choice	2½	4.18	4.48	4.48	U.S.
Pieces, choice	30 oz.	3.41	3.48	3.48	Taiwan
CANNED JUICE					
Orange, unsweetened	2	2.49	2.65	2.65	U.S.
Do	2	2.25	2.12	2.12	Greece
Grapefruit, unsweetened	2	(1)	2.22	2.22	Israel
Pineapple, fancy	2	1.72	2.15	2.15	U.S.

[1] Not quoted.

West German Tenders on Canned Figs and Pears

The Federal Republic of Germany has announced an import tender for canned figs and canned pears in containers weighing less than 5 kilograms. Imports will be permitted from a number of countries, including the United States. Import licenses will be valid until December 31, 1964.

Hamburg's Prices on Canned Fruit and Juices

Importers' selling prices in Hamburg, Germany, for selected canned fruits and juices in July 1963 and April and July 1964 are compared below.

Type and quality	Size of can	Price per dozen units: July 1963	April 1964	July 1964	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves:					
Choice	2½	3.87	3.72	3.42	Greece
Do	2½	3.81	3.81	3.54	S. Africa
Peaches, halves:					
Choice	2½	4.64	4.83	3.84	U.S.
Do	2½	[1]	[1]	3.78	S. Africa
Do	10	14.70	17.10	16.20	U.S.
Do	10	[1]	10.38	13.80	S. Africa
Pears, halves:					
Choice	2½	4.36	4.17	4.32	Italy
Do	2½	[1]	[1]	3.72	Argentina
Do	1/1	[1]	[1]	3.78	Netherlands
Fruit salad:					
Choice	15 oz.	2.61	2.56	2.60	Spain
Do	15 oz.	3.06	3.09	3.09	Japan
Do	2½	7.50	8.16	8.55	U.S.
Fruit cocktail, choice	2½	5.85	5.28	6.06	U.S.
Pineapple:					
Slices, fancy	2½	[1]	[1]	4.17	Philippines
Slices, choice	2½	3.72	3.82	4.11	Philippines
Do	2½	3.42	3.48	3.57	S. Africa
Do	2½	4.35	4.35	4.68	U.S.
Do	2½	[1]	[1]	3.63	Mexico
Do	1 tall	2.14	2.16	2.16	Malaya
Do	2	[1]	2.50	2.61	Taiwan
Do	10	[1]	13.14	13.17	S. Africa
Do	10	[1]	14.10	14.10	Kenya
Crushed, choice	10	11.55	12.09	12.09	U.S.
Do	10	8.19	9.33	8.94	S. Africa
CANNED JUICE					
Orange, unsweetened	2	2.21	1.94	1.86	S. Africa
Do	2	2.24	2.06	1.80	Israel
Do	2	2.09	1.94	1.77	Greece
Do	½ din [2]	[1]	1.68	1.68	U.S.
Grapefruit, unsweetened	2	[1]	2.12	1.98	S. Africa
Do	2	[1]	[1]	1.98	Israel
Do	½ din [2]	1.75	1.68	1.68	U.S.
Pineapple:					
Unsweetened	2	1.60	1.65	1.70	S. Africa

[1] Not quoted. [2] Net content 390 grams.

Peruvian Cotton Exports Lower

Exports of cotton from Peru during the first 9 months (August-April) of the current season amounted to an estimated 346,000 bales (480 lb. net), 6 percent below the 368,000 bales exported in the same period of 1962-63. This decline may be attributed to smaller exportable supplies, as a result of the smaller 1963-64 crop. Exports during the first 4 months of calendar 1964 were 11 percent above those of a year earlier.

Quantities exported to major destinations from August 1963 through April 1964, in thousands of bales (comparable 1962-63 figures in parentheses) were West Germany 52 (52), United Kingdom 41 (47), Japan 32 (25), Belgium 29 (36), Chile 25 (53), France 25 (26), the Netherlands 23 (24), Switzerland 23 (21), Argentina 21 (10), Venezuela 15 (5), Italy 11 (13), and India 10 (2). Total exports for the full 1963-64 season are expected to be about 550,000 bales, compared with 590,000 in 1962-63.

Prices of Peruvian cotton in world import markets have continued to strengthen during the past several months, following a general uptrend of prices for long and extra long staple cotton in the last half of 1963. Peruvian Pima No. 1—the leading Peruvian ELS cotton—averaged 46.45 U.S. cents per pound, c.i.f. Liverpool, in June, compared with 37.45 a year earlier, while Tanguis Type 3 averaged 39.42 cents, against 35.93.

The 1963-64 cotton crop in Peru is now estimated at 625,000 bales—7 percent below last season's record outturn of 675,000 bales. The planted area in 1963-64 almost equaled 1962-63's 680,000 acres. Production of extra long staple Pima and Karnak, harvested early last fall, totaled around 180,000 bales compared with 170,000 in 1962-63. The crop of Tanguis, Cerro, and Aspero, harvested during February-June of this year, was about 450,000 bales, compared with 500,000.

The 1964-65 crop of Pima and Karnak, now nearing volume harvest, will probably be below this season's, owing to water shortages and reduced area.

Peruvian cotton consumption this season, now estimated at 95,000 bales, is 5 percent above that for a year ago and is a continuation of a 3-year upward trend in mill activity.

Owing to reduced production and favorable export prices, closing stocks on July 31 were expected to total about 275,000 bales, compared with the 295,000 beginning stock figure last August 1.

Australian Meat Shipments to the United States

Five ships left Australia during the latter part of June with 11,538,240 pounds of beef, 349,440 pounds of mutton, and 2,240 pounds of lamb for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Western ports:			*Pounds*
Gudrun Bakke	Seattle	August 11	Beef	103,040
June 22	Tacoma	12	Beef	24,640
	Portland	14	Beef	349,440
	Los Angeles	22	Beef	1,713,600
	San Francisco	26	Beef	369,600
Mariposa	San Francisco	July 9	Beef	109,760
June 22			Mutton	67,200
	Los Angeles	13	Beef	257,600
Sierra	Los Angeles	18	Beef	367,360
June 30			Mutton	33,600
	San Francisco	22	Beef	311,360
			Mutton	89,600
	Portland	26	Beef	123,200
	Seattle	August 7	Beef	156,800
	Eastern ports:			
City of	Charleston	July 24	Beef	443,520
Canberra	Norfolk	26	Beef	228,480
June 28			Mutton	89,600
	Boston	28	Beef	840,000
			Mutton	13,440
	New York	30	Beef	4,531,520
			Mutton	56,000
			Lamb	2,240
	Philadelphia	August 7	Beef	533,120
Pioneer Isle	Charleston	2	Beef	159,040
June 30	Boston	6	Beef	134,400
	New York	7	Beef	353,920
	Philadelphia	9	Beef	94,080
	Baltimore	11	Beef	333,760

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale.

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New Zealand Meat Shipments to the United States

Five ships are scheduled to leave New Zealand during August with 18,144,000 pounds of meat for the United States—2,464,000 for the West Coast and 15,680,000 for the East Coast.

Ship	Sailing date	Destination	Quantity
			1,000 pounds
Knight Templar	August 8	West Coast	1,120
Cap Finisterre	20	do.	1,120
Monterey	25	do.	224
City of Sydney	18	East Coast	1,344
Pipiriki	31	do.	14,336

Canadian Mills Use More Cotton in June

Canadian cotton consumption, indicated by the number of bales opened by mills, was 38,062 bales (480 lb. net) in June—compared with 35,802 in May and 32,852 in June of 1963. Consumption during the first 11 months (August-June) of the current season amounted to 417,000 bales. This is 15 percent above the 364,000 bales opened in the comparable period of 1962-63 and 21 percent above average consumption of 346,000 bales in the first 11 months of the past five seasons.

Soviet Farm Crisis and American Wheat

(Continued from page 4)

importing wheat from the United States and Canada for some years. Of course, under normal production conditions, the Soviet Union may well continue to ship wheat to the Eastern European countries.

Finally, the sale has given the United States an important advantage in the field of world opinion. Many developing nations, realizing the importance of agriculture, have been searching for the best methods of producing adequate food for their people. When the strongest Communist nation needs to buy wheat from a free nation that has enough and to spare, a convincing point has been made for our way of life.

Thus, the sale of wheat to the Soviet Union and other Eastern European countries adds real strength to our position, whereas the strength of the Soviet position is, on balance, diminished.

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